

# Reducing Out-of-Pocket Costs for Medications

Reducing out-of-pocket costs (ROPC) for patients with hypertension and hyperlipidemia involves program and policy changes that make medications for cardiovascular disease (CVD) prevention more affordable. Costs for medications can be reduced by providing new or expanded coverage and lowering or eliminating out-of-pocket payments by patients (e.g., copayments, coinsurances, deductibles).<sup>1</sup>

#### **Summary**

Reducing costs on medications for patients with hypertension and hyperlipidemia is an effective strategy for increasing medication adherence and lowering blood pressure and cholesterol levels among diverse populations and in various settings.

**Stories From the Field:** Kaiser Permanente Northern California.

#### **Evidence of Effectiveness Implementation** Research Effect Guidance Design External & Internal Independent Ecological **Validity** Replication Validity Legend: Well supported/ Unsupported/ Promising/ Harmful Supported **Emerging Evidence of Impact** Health Health **Economic** Disparity **Impact Impact Impact** Legend: Supported 1 Moderate 🔼 Insufficient













### **Evidence of Effectiveness**

The evidence base supporting the implementation of ROPC strategies to promote medication adherence is very strong. Studies examining ROPC for medications have demonstrated strong internal and external validity. A review by the Community Preventive Services Task Force concluded that ROPC for medications is effective for increasing medication adherence and results in improved health outcomes. Evaluations of ROPC strategies have been replicated with positive results. Unfortunately, no comprehensive guidance for implementing ROPC strategies is available.

## **Evidence of Impact**

#### **Health Impact**

Evidence shows that ROPC for medications for patients with hypertension and hyperlipidemia is effective in improving medication adherence, which results in lower blood pressure and cholesterol levels. The Community Preventive Services Task Force found that ROPC for patients taking blood pressure and cholesterol medications increased medication adherence by 3 percentage points and increased the proportion of patients achieving 80% adherence by 5.1 percentage points, which significantly improved blood pressure and cholesterol outcomes.1.2

#### Health Disparity Impact

Evidence shows that ROPC for medications is an effective strategy for men and women and for patients from racial and ethnic minority groups. ROPC is especially beneficial for low-income patients, who face the greatest financial barriers to taking medications as prescribed.<sup>2</sup>

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#### **Economic Impact**

The evidence base for the economic benefits of ROPC for medications is limited, and findings are inconsistent. The Community Preventive Services Task Force found that the median intervention cost for ROPC for medications was \$174 per person per year. The Task Force's review found that ROPC could reduce health care costs, with a median change of -\$128 per person per year. Health care savings could potentially offset intervention costs, but evidence on net benefits was limited and mixed. Therefore, no overall conclusion could be reached. More research on costeffectiveness is needed.2



## **Stories from the Field** Reducing Medication Costs





### **ROPC at Kaiser Permanente Northern California**

Kaiser Permanente Northern California (KPNC) is a 2013 Million Hearts® Hypertension Control Champion because of its hypertension program. The program seeks to improve hypertension control through five key strategies: a comprehensive hypertension registry, performance metrics, evidence-based guidelines for treatment, medical assistant visits for blood pressure measurement, and single-pill combination pharmacotherapy. Two of the five strategies reduced out-of-pocket costs for patients. One eliminated copayments for patients who visited a medical assistant for blood pressure monitoring, while the other introduced a less-expensive, single-pill combination therapy that combined two medications into one. KPNC reported significant improvements since it began using this multicomponent hypertension program. From 2001 to 2013, hypertension control among KPNC's patients increased from 44% to 90%, which translated to more than 200,000 additional patients who had their blood pressure under control. Although the success of this program could not be attributed to any one component alone, ROPC for medications likely played an important role, as prescription rates for hypertension drugs increased significantly after the introduction of the single-pill combination therapy.

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## **Four Considerations for Implementation**

1 Settings

Strategies to reduce ROPC for medications can be implemented by health care providers and plans, government agencies, and employers who offer insurance plans to their employees.<sup>1</sup>

Policy and Law-Related Considerations

Policies or programs to reduce or eliminate out-of-pocket costs for medications can be coordinated and implemented through health care systems, partnerships, and health care providers or insurance plans. One ROPC policy approach is to reduce or eliminate copayments for generic medications. Providers may need to discuss appropriate generic medications with their patients. Many states have statutory or regulatory requirements that (1) require Medicaid providers to use generics first and (2) require or authorize pharmacists to switch Medicaid patients to an equivalent generic drug if a brand name drug is prescribed.

3 Implementation Guidance

Direct implementation guidance for ROPC was not readily available at the time of this publication. Collaboration between public insurance plans, such as Medicare and Medicaid, and private insurance plans should be considered to promote use of these strategies.

4 Resources

ROPC for medications is a strategy that is supported by several federal initiatives, including:

- CDC's 6 18 Initiative.3
- CDC's Medication Adherence Action Guide.4













#### References

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- 5. Centers for Disease Control and Prevention. State Law Fact Sheet. Prescription Drug Cost-Sharing and Antihypertensive Drug Access among State Medicaid Fee for Service Plans, 2012. Atlanta, GA: Centers for Disease Control and Prevention, US Dept of Health and Human Services; 2013.